

July 15, 2025

Emily T. Marsal
Executive Director
Alabama State Health Planning & Development Agency
100 N. Union St.
Ste. 870
Montgomery, AL 36104

RE: Notice of Change of Ownership/Control CHOW effective date: September 1, 2025 SHPDA ID Number: 059-N0003 Generations of Red Bay. LLC

Dear Ms. Marsal:

Please find enclosed the Notice of Change of Ownership/Control form for Generations of Red Bay, LLC, a 90-bed skilled nursing facility located in Red Bay, Alabama. This notice proposes the transfer of operational control from Generations of Red Bay, LLC (outgoing operator/licensee) to Cavalier Healthcare of Red Bay LLC (proposed facility operator/licensee and new lessee). There will be no change to the ownership of the skilled nursing facility real property. The details of this transaction are outlined in the Operations Transfer Agreement which will be provided upon request.

Upon approval of the change of ownership by the Alabama Department of Public Health and evidenced by the issuance of a new Nursing Home License, the contemplated transaction will become effective on or after September 1, 2025 (Commencement Date). Red Bay Nursing Home, Inc. (CON authority holder/lessor) and Cavalier Healthcare of Red Bay LLC (lessee) will enter into a new lease agreement that will be effective on the Commencement Date.

The change of ownership application fee was paid online on May 12, 2025, REF ID: 133516278.

If you have any questions or need additional information, please contact me at (478) 396-4777 or blamberth@newlegacypro.com.

Sincerely,

Brandie P. Lamberth, CPA

President, New Legacy Professional Services

Brandie P. Lambuth

Enclosures

State Health Planning and Development Agency

Alebama CON Rules & Regulations

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

	at least twenty (20) days prior to the transaction.
Change in Certificate of Need I Change in Facility Managemen	r Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e)) Holder (ALA. CODE § 22-20-271(f)) It (Facility Operator) bove-described requires an application for a Certificate of Nee
Part I: Facility Information	
SHPDA ID Number:	059-N0003
(This can be found at www.shada.alabama.c Name of Facility/Provider: (ADPH Licensure Name)	Generations of Red Bay, LLC
Physical Address:	106 10th Ave NW
	Red Bay, AL 35582
County of Location:	FRANKLIN
Number of Beds/ESRD Stations:	90
CON Authorized Service Area (Hompages If necessary. NA	ne Health and Hospice Providers Only). Attach additional
Part II: Current Authority ownership or control, as defined un	(Note: If this transaction will result in a change in direct
Part II: Current Authority of control, as defined uncharts autilining current and propose Owner (Entity Name) of	(Note: If this transaction will result in a change in direct
Part II: Current Authority ownership or control, as defined uncharts cutilining current and propose Owner (Entity Name) of Facility named in Part I:	(Note: If this transaction will result in a change in directed and ALA. CODE § 22-20-271(e), please attach organizations and structures.)
Part II: Current Authority ownership or control, as defined uncharts autilining current and propose Owner (Entity Name) of Facility named in Part I:	(Note: If this transaction will result in a change in directed ALA. CODE § 22-20-271(e), please attach organizations ad structures.) Generations of Red Bay, LLC
Part II: Current Authority	(Note: If this transaction will result in a change in direct note ALA. CODE § 22-20-271(e), please attach organizations of structures.) Generations of Red Bay, LLC 106 10th Ave NW
Part II: Current Authority ownership or control, as defined uncharts autilining current and propose Owner (Entity Name) of Facility named in Part I: Mailing Address:	(Note: If this transaction will result in a change in directed ALA. CODE § 22-20-271(e), please attach organizations and structures.) Generations of Red Bay, LLC 106 10th Ave NW Red Bay, AL 35582 Generations of Red Bay, LLC
Part II: Current Authority (ownership or control, as defined un charts autilining current and propose Owner (Entity Name) of Facility named in Part I: Mailing Address: Operator (Entity Name): Part III: Acquiring Entity Info	(Note: If this transaction will result in a change in direct note ALA. CODE § 22-20-271(e), please attach organizations of structures.) Generations of Red Bay, LLC 106 10th Ave NW Red Bay, AL 35582 Generations of Red Bay, LLC
Part II: Current Authority ownership or control, as defined uncharts autilining current and propose Owner (Entity Name) of Facility named in Part I: Mailing Address: Operator (Entity Name):	(Note: If this transaction will result in a change in direct nder ALA. CODE § 22-20-271(e), please attach organizations of structures.) Generations of Red Bay, LLC 106 10th Ave NW Red Bay, AL 35582 Generations of Red Bay, LLC

Operator (Entity Name):	Cavalier Healthcare of Red Bay LLC			
Proposed Date of Transaction is on or after:	09/01/2025			
Part IV: Terms of Purchase				
Monetary Value of Purchase:	Cavalier Healthcare of Red Bay LLC will lease the facility from the current property owner.			
Type of Beds:	Skilled Nursing Facility beds			
Number of Beds/ESRD Stations:	90			
Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:				
Projected Equipment Cost:	\$ <u>-</u>			
Projected Construction Cost:	\$			
Projected Yearly Operating Cost:	\$ 6,800,000.00			
Projected Total Cost:	\$ 6,800,000.00			
On an Attached Sheet Please Address the Following: 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).				
The services to be offered by the p offered the service, whether the service.	proposal (the applicant will state whether he has previously			
The services to be offered by the p offered the service, whether the service.	proposal (the applicant will state whether he has previously e is an extension of a presently offered service, or whether			
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1.) The services to be offered by the poffered the service, whether the service the service is a new service). 2.) Whether the proposal will include the service is a new service). 3.) Whether the proposal will involve the service that it is not the service is a new service). 4.) Whether the proposal will involve the service and stock (if any part V: Certification of Information Current Authority Signature(s): The information contained in this notification. There will be no change in will be no change in will part of the change in will be no change in will part of the change i	proposal (the applicant will state whether he has previously the is an extension of a presently offered service, or whether the addition of any new beds. The conversion of beds. The conversion o			

State Health Plann	ing and Catalopment Agency	Alabama CON Rules & Regulations
SWORN to and	subscribed bettore be, this 14 day	July 2025
(Seal)	NBLIC E	Motary Public
	AMA STATE KINING	My Commission Expires: 5 7 29
Acquiring Aut	hority Signature(s):	
period, as spe		rovided during the current annual reporting 312. The information contained in this dge and belief.
Purchaser(s):	There will be no change in the real propert will enter into a Lease Agreement with the	y ownership. Cavalier Healthcare of Red Bay LLC current property owner.
Operator(s):	Cavalier Healthcare of Red Bay LLC	Brien B, Hubbard
Title/Date:	Managing Member	
SWORN to and	subscribed before me, this day	of,
(Seal)		Notary Public

My Commission Expires:

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975 History: New Rule

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State Health Plann	ning and Development Agency	Alabama CON Rules & Regulations		
SWORN to and	d subscribed before me, this day	of		
(Seal)		Notary Public		
		My Commission Expires:		
Acquiring Aut	hority Signature(s):			
I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-312. The information contained in this notification is true and correct to the best of my kerowledge and belief.				
Purchaser(s):	7-7-4/	There will be no change in the real property ownership. Cavalier Healthcare of Red Bay LLC will enter into a Lease Agreement with the current property owner.		
Operator(s):	Cavalier Healthcare of Red Bay LLC	Brien B. Hubbard		
Title/Date:	Managing Member	7/10/25		
SWORN to and subscribed before me, this 10 day of 10 , 2025.				
(Seal)	SDAR WANN	Notary Public		
(Seal)	NOTARY & BUBLIC BOOK ORANGE OF THE PROPERTY OF	My Commission Expires: 2/2/2027		
THE STATE OF THE S	% es Count Signific OF MISSISHIMI Minimum			

Author: Alva M. Lambert Statutory Authority: § 22-21-271(c), <u>Code of Alabama</u>, 1975 History: New Rule

Alabama State Health Planning & Development Agency

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

Part IV: Terms of Purchase - Attachment

- 1. The services provided will be skilled nursing care as offered by the previous operator.
- 2. There will be no new beds added.
- 3. There will be no conversion of beds.
- 4. The proposed transaction will be a change in operational control only, not a property or stock sale. The operations will be transferred from <u>Generations of Red Bay, LLC</u> to <u>Cavalier Healthcare of Red Bay LLC</u>. There will be a new lease agreement executed between <u>Red Bay Nursing Home, Inc.</u> and <u>Cavalier Healthcare of Red Bay LLC</u> once the transfer or operations has occurred.

Note:

The projected yearly operating costs of \$6,800,000.00 represent amounts which are consistent with current operating costs and no substantial increases are expected.

Generations of Red Bay, LLC

Red Bay Nursing Home, Inc. (Current Building Owner/CON Holder and Lessor)

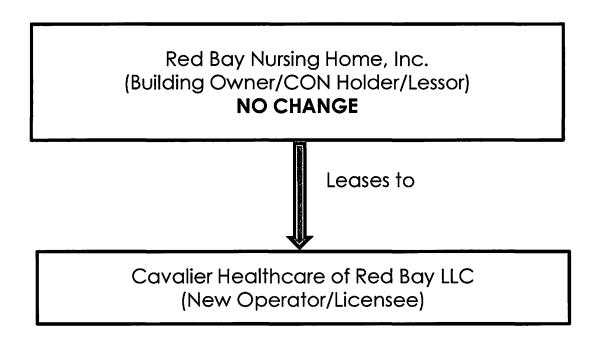


Leases to

Generations of Red Bay, LLC (Current CON Holder and Operator/Licensee)

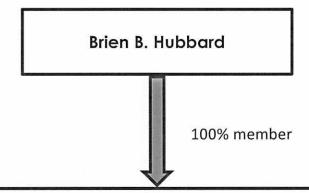
Part III: Acquiring Entity Information

Cavalier Healthcare of Red Bay LLC



Part III: Acquiring Entity Information

Cavalier Healthcare of Red Bay LLC d/b/a Cavalier Healthcare of Red Bay **Organizational Structure**



<u>Cavalier Healthcare of Red Bay LLC</u> "Licensee/Operator/Lessee" Brien B. Hubbard – Managing Member